

Flipkart



wired 7.0

Campus case **challenge**

Team Name: HR-Bee

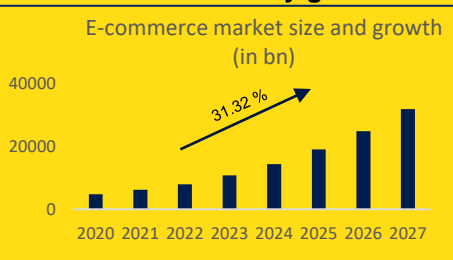
*Ideas That
Empower
Dreams*



APNA SAPNA MONEY MONEY?

E-commerce holds immense potential as an employment generator and is often preferred by majority of jobseekers...

A. E-commerce industry growth



B. What do employees value

Hybrid work mode	Frequent job shifts
Mental health	Skill upgradation
Transparency at work	Respect & recognition
Openness & acceptance	

C. E-commerce generating opportunities

- 20%** of the total online sellers are women
- 0.4** million technology and corporate jobs
- 70%** online sellers to come from smaller towns
- 1/4** MBA grads in India prefer e-commerce

Attrition rate in e-commerce	
Overall	27.7%
Voluntary	24.9%
Involuntary	4.9%

- Best Competitive Practices**
- Transparency of company data in public
 - High %age of diversity candidates at all levels
 - Providing employees opportunities to work in assignments outside the firm
 - Workshops, flagship programs and resource groups in place for overall well-being of employees

D. Impact on employment

Skill set	Magnitude	Level of skill
Entrepreneurs	Evident	High
E-comm players, sellers, merchants	Significant	High
Logistics, IT/ITeS	Extensive	Low to high

- E-Commerce at a Glance!**
- Each e-commerce job can lead to **3-4 jobs** in downstream industries
 - 48%** organizations offer a premium for talent & **22%** org offer high bonuses for talents that are high in demand
 - 73%** employees are looking beyond basic pay towards more holistic development

Limited career growth

23%

Look for better career opportunities outside

Inflexible workplace

37%

Would join another firm if offered enough flexibility

Role stagnation

3x

Likelihood of unengaged employees leaving within a year

Work life balance

75%

Say work has negative impact on overall health

External inequity

40%

Shift for higher compensation

Non-alignment-company

2.5x

Likelihood of those leaving who are not aligned to org

Conclusion

A. Exponential growth due to increased digitization- more employment scope

B. Employees look for holistic development at workplace

C. Although the attrition is on higher side, e-commerce is one of the most preferred job sectors

The firms in the sector play competitive when it comes to providing the new-age benefits...

A. Industry players' analysis

	P90	a P90-95	P60
Equity	<ul style="list-style-type: none"> New joiner & standard ESOP worth 10L equally vested over 4 years No forfeiture upon exit 	<ul style="list-style-type: none"> 200 RSUs unequally vested over 4 years- high vesting in last 2 years Stocks forfeit upon exit 	Data not available
Cash benefits	<ul style="list-style-type: none"> Joining bonus, Relocation retiral benefits associate infrastructure, transport rentals, loyal conveyance 	<ul style="list-style-type: none"> Joining bonus (amortized)- used as retention bonus, some variable component, tuition reimbursements 	<ul style="list-style-type: none"> Leave concession, Joining bonus, retiral benefits, special allowance, bonus, vehicle & mobile reimbursements
Wellness	Medical & Life insurance, health checkups, personalized finance, Calm App	Mental health resources, employee-exclusive discounts	Health insurance & assistance, memberships, benefit programs
Work-life	Flexibility, volunteering, childcare support, time-off options, wellbeing norms, parental & other leaves, part-time work, changed schedule	Flexible work schedule, paid time-off, pay-check stability, moving to full ofc, Ramp back programs, Leave Share program	Parental leave, paid leaves, childcare & eldercare assistance, personal breaks, adjustable workhours & mode
Inclusivity	Ergonomic workstations, ARGs, family definition, expectant mothers	Refugee & immigrant support, fully paid parental leaves	Employee Resource Groups (ERGs), open door policy, diversity & inclusion council
Growth	E-learning, education assistance, learning calendars, career opportunities	Technical apprenticeship & academy, MLU, Surge2IT, UXDR, Grow your own talent, AWS training	Mentorship, training and development, recognition, career development
customization	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>

B. Flipkart's current situation and scope
















































P55-P65
<ul style="list-style-type: none"> ESOPs worth 1.9L offered with equal vesting over 4 years Stocks forfeit upon early exit
<ul style="list-style-type: none"> 10% variable pay Fixed HRA with caps Performance bonus over 100% Option for advance salary for 2 months Annual rewards survey for all levels Joining and retiral benefits Allowance, reimbursements, concierge services
<ul style="list-style-type: none"> FlexiBen portal for insurance 'HarPal' program for health & well-being Family assistance program
<ul style="list-style-type: none"> Unlimited bereavement leave Classification & carry forward of leaves Career break policies
<ul style="list-style-type: none"> No % reservation for women Maternity & paternity benefits- shared day-care, counselor, joy celebration Adoption assistance Wide celebration of LGBTQ+ community
<ul style="list-style-type: none"> THRIVE portal for job opportunities FlipSkool for career development Higher education assistance Career breaks to pursue higher ed.

Can variable pay be used for retention?

How can flexibility and inclusivity make Flipkart a better employer ?

Can learning and development become a part of *intrinsic rewards*?

Four Job Dimensions identified to arrive at the typical employee personas & exploring their motivation, pain points & interests....

	Criticality	Propensity to leave	Performance	Diversity	The typical persona	What matters	Can total rewards management help?	What do we understand by criticality?
A					An employee who hasn't performed well recently but is in critical DSE role	Better performance, growth	 	<ul style="list-style-type: none"> Roles that are crucial to the Flipkart's current functioning and long term goals Rare in the market Hiring similar talent would incur high cost Aligns with company's vision
B					An employee from PWD/ LGBTQIA+ community who might want to leave for an employer who is more	Acceptability, a welcoming culture	 	
C					A new mother, consistent high performer who might want to leave and freelance or to an org that allows more flexible work	Work life balance, flexible role	 	
D					An employee in the warehouse who does routine job and whose performance isn't individual based	Stability, usual promotion		What do we understand by performance ? <ul style="list-style-type: none"> Flipkart is a performance driven organization, the org would go the extra mile to retain them
E					A freshly joined female graduate from a top tiered Engg. college who works in a critical tech role who is about to get married	Aspirations, growth, work life balance	 	What do we understand by propensity to leave ? <ul style="list-style-type: none"> Flipkart is a performance driven organization, the org would go the extra mile to retain them
F					A 30 yr old graduate MBA grad working in HR dept who is receiving multiple offers from other industries with a much higher pay	Better pay and career growth	 	
G					A senior manager with 7yrs In Flipkart, Might want to leave for a better role/position	Job excitement, learning opportunity	 	What do we understand by performance ? <ul style="list-style-type: none"> Flipkart is a performance driven organization, the org would go the extra mile to retain them
H					A senior manager(45+) wanting more time with family, wants a job that matters to the org, wants to secure the future	Recognition, respect, status, value in org	 	

Identifying cohorts based on the four job dimensions & exploring what Flipkart can do to enhance its Flipster's Experience....

B

B, 29+, Hyderabad

B identifies as queer, has joined Flipkart 2 years back, looks for a workplace that is safe, where the environment is homely. **Money doesn't matter to him the most. Loves open conversations**



Monetary aspirations

Promotions and growth. A better CTC



NON-Monetary aspirations

A safe workplace, the culture in the org

Possible options

A higher CTC
Higher basic
Increased RSU
Personalised health benefits
Flexible work options
Platforms and forums
A higher CTC



To - Do

- Provide a forum for open discussion
- Do not focus much on monetary compensation
- Include personalised health insurances
- Recognise their partners legally and give all benefits
- Assist them for all mental and physical counsellings



Impact

- Better employer branding
- **Signals 'Integrity and inclusion'** for Flipsters
- encourage open conversations

C

C, 33+, Kolkata

C is a new mother. She has recently shifted to a new city and lives with her spouse and elderly parents. She was a mid level high performing manager before the maternity leave



Monetary aspirations

A higher package to support growing family, career growth



NON-Monetary aspirations

higher work life balance, more family time.
Resume at similar level

Possible options

A higher CTC
Higher equity
Family support plan
Personalised health benefits
Flexible work hours
Additional maternity benefits
Flexible location



To - Do

- Provide flexible work locations to up to 2 years post childbirth
- Extend the already existing **PART WORK-PART PAY to 30 %**
- Allow up to 4 days work from home
- Provide **creche service** within office premises



Impact

- Better employer branding
- Retains top women leaders which signals as a better employer
- Allows to retain talent without being paymasters

E

E, 27+, Kochi

E works in a critical tech role, has just completed 2.5 years and is a stellar performer. Is receiving multiple offers from competitors with higher pay. This role, in coming years will be become more crucial and talent scarce.
Lacks ownership

**Monetary aspirations**

Higher CTC, promotions, wants to be paid at the top

**NON-Monetary aspirations**

Tendency to change organizations, rapid career growth

Possible options

A higher CTC ✓

Higher basic ✓

Increased RSU ✓

Internal role change opportunities ✓

Flexible work options ✓

Recognitions ✓

Clear growth opp

**To - Do**

- Increase the vesting options more in the last 2 years rather than equal vesting
- Give opportunities to change roles within FLIPKART and make it permanent
- Allow top performers **to increase their variable component** according to their choice

Eg- 10 % Variable Pay to 30 % Variable Pay

**Impact**

- Higher performance driven by individuals
- Build **sense of ownership**
- Give employees decision making power about own careers
- Better succession planning opportunities

F

F, 30+, Chennai

F is a MBA grad from premium college, Flipkart is his 3rd job. He is in the HR department and is receiving offers from competitors and other FMCG companies. He is driven by performance and feels **there is nothing more to be explored here**

**Monetary aspirations**

Tendency to leave because of higher compensation offered

**NON-Monetary aspirations**

Exploring and experimenting with roles, challenges in work

Possible options

A higher CTC ✓

Higher equity ✓

Learning opportunities ✓

Flexible work hours ✓

Job rotation/internal role change ✓

Flexible location ✓

**To - Do**

- Provide other role options, let employees explore
- Lure through **higher no of RSU s with higher vesting** in later years
- Give a loyalty related one-time lumpsum amount to retain them
- If possible pay top talent at P70-P75

**Impact**

- RSU can aide in retention
- Higher pay vis-à-vis market will lead to employee retention too
- Employee-development prioritised

<div>H</div> <div>H, 45+, Indore</div> <div>H, Sr. Manager with 15+ years of experience, holds a high-level and critical position. Realized that spending time with his family is crucial to him. May switch to a more flexible workplace for a secured future.</div>	<div><div><div><div>\$</div><div>Monetary Aspirations</div></div><div>Wants Financial Security for family; Retirement Planning,</div></div><div><div><div><div>Non-Monetary</div><div>Flexible work arrangement. Want Respect & Status</div></div></div></div></div>	<div><div>Possible options</div><div><div>A higher CTC</div><div>Continued benefits post-retirement</div><div>Childcare Support</div><div>Family Assistance</div><div>Hybrid/Virtual Mode</div></div></div>	<div><div><div>To - Do</div><div><div>Offer customized buckets to choose proportionately b/w family & and personal health/insurance covers</div><div>Give options to choose between remote work, compressed work weeks, flexible hours</div><div>Show and prepare him for senior leadership roles post 15 years exp</div></div></div></div>	<div><div><div>Impact</div><div><div>Higher long-term job satisfaction, hence retention</div><div>Signals leadership opportunities for growth</div><div>Improved work-life balance</div></div></div></div>
<div>G</div> <div>G, 29+, Patna</div> <div>G, a Manager who joined after just her MBA. Despite her 7 years of stint, she has not grown much & is looking to change jobs or maybe her role. Is risk-averse in exploring career change due to her high education loan</div>	<div><div><div><div>\$</div><div>Monetary aspirations</div></div><div>Assistance in debt-repayments by rewards/salary hike</div></div><div><div><div><div>Non-Monetary</div><div>Wants excitement & challenge in job; May do job- experiments</div></div></div></div></div>	<div><div>Possible options</div><div><div>A higher CTC</div><div>Bonus & Rewards</div><div>Skill-development</div><div>Cross-Function Stints</div><div>Stretch Assignment</div></div></div>	<div><div><div>To - Do</div><div><div>Provide cross-dept work stints</div><div>Offer a personalized career advancement plan and career pathway</div><div>Offer financial Counselling, loan assistance & tax-saving avenues</div><div>May provide retention bonus if critical talent</div></div></div></div>	<div><div><div>Impact</div><div><div>Personalised Career Development</div><div>Multiskilling of employees</div><div>Enhanced EVP making more attractive for top talent</div></div></div></div>
<div>A</div> <div>A, 35+, Jaipur</div> <div>A, a DSE, holds a critical role. However, her work output has recently declined. She is otherwise a top performer, but due to burnout & sense of career stagnation, her motivation decreased.</div>	<div><div><div><div>\$</div><div>Monetary aspirations</div></div><div>Wants skill-enhancement allowance/ support</div></div><div><div><div><div>Non-Monetary</div><div>Wants guidance on performance and career support</div></div></div></div></div>	<div><div>Possible options</div><div><div>Wellness Support</div><div>Skill-Development</div><div>Mentorship & Career Guidance</div><div>Wellness Support</div><div>Job-Rotation</div></div></div>	<div><div><div>To - Do</div><div><div>Provide performance-based bonuses so that she has the incentive to improve her performance</div><div>Offer skill development opportunities-</div><div>Introduce some L&D or mentorship interventions to help her improve</div></div></div></div>	<div><div><div>Impact</div><div><div>Improved performance</div><div>May facilitate long-term commitment</div><div>Talent Retention</div><div>Employee wellbeing leading to positive workplace culture</div></div></div></div>

	Employee trends	Industry practices	Arriving at personas	Employee personas	The big idea	Financials
Core idea	Flexibility in joining bonus	Diversity in higher management	Choose your variable pay	Your benefits your way	Choose your equity	
	Extrinsic reward	Intrinsic reward	Extrinsic reward	Intrinsic reward	Extrinsic reward	
Strategy	<ul style="list-style-type: none">Provide upto 50% of the joining bonus prior to ease the wrap up processFor the remaining amount, give employee the option to amortise it monthly or receive it in lumpsum after 2 years	<ul style="list-style-type: none">Giving preference to female Flipsters for senior leadership positions, <i>given equal competency</i>Look for external potential candidates who have lost job continuity due to career breaks	<ul style="list-style-type: none">Give Flipsters an option of deciding how much variable pay component do they want in their salaryMax possible variable pay component is 40 %Higher payout in variable pay	<ul style="list-style-type: none">Give Flipsters the choice of choosing who should be a part of health benefitsShould not be restricted to legal or family relationships onlyEmployee should be the one and only to have a say	<ul style="list-style-type: none">Flipsters have a choice in deciding how their stocks should be vested, equally or according to an incremental vesting planStart with giving an option of increasing their equity component to 30 %	
	Impact	<ul style="list-style-type: none">Initial amount projects that the employer cares about their employeesAmortised amount received monthly gives a passive income over & above their base salaryLumpsum amount works as a retention tool	<ul style="list-style-type: none">Signals career growth, encouraging more women to stay with the companyAcquiring better talentPromoting diversity, empowering the female as well as LGBTQ+ community in the workplaceSignalling as a great place to work at	<ul style="list-style-type: none">Encourages, appreciates and rewards high performersGives scope to increase CTCBuilds sense of ownership for own career and growthAttracts those with a driveRetains employees who want to feel accountable for what they earn	<ul style="list-style-type: none">Signals that employee comes firstEarly mover advantageEmployees feel proud working for such an org that is ahead of others	<ul style="list-style-type: none">Encourages, appreciates and rewards high performersGives scope to increase CTCBuilds sense of ownership for own career and growthAttracts those with a driveRetains employees who want to feel accountable for what they earn
HIGH personalisation		LOW personalisation	VERY HIGH personalisation	VERY HIGH personalisation	VERY HIGH personalisation	
HIGH feasibility	HIGH feasibility	HIGH feasibility	HIGH feasibility	HIGH feasibility		
HIGH scalability	HIGH scalability	HIGH scalability	HIGH scalability	HIGH scalability		

CASE: Sample Reward Structure for a high-performing, critical talent - expecting her 2nd child; considering switch for flexible benefits

Current Basic Package (per month)		Personalized Monetary Rewards		Revised Non-Monetary Rewards		
Basic Pay	9,60,000	→	10% as ESOPs	No immediate impact	✓ Extended Maternity Leaves	✓ Employee Resource Group (ERGs)
Special Allowance	3,60,000		(Note: Vesting period of 3 years with 15-20-30-35% for one year)			
House Rent Allowance	4,20,000					
Entertainment Allowance	18,000	→	Forgo	-18,000	✓ Flexible Work Arrangements	✓ Childcare Support
Medical Concession	19,200	+	Family Medical Allowance	+50,000		
Assured Gross Salary	17,77,200		Maternity Benefit Program	+1,00,000		
Contribution to PF	2,13,264					
Total Fixed Pay	19,90,464					
Leave Travel Concession	84,000	→	Shift to balance HRA	No Impact		
Children's Edu. Allowance	48,000					
Performance Bonus (Max 15% of Gross)	2,76,000	→	Receive as ESOPs or RSUs	No immediate impact		
Total CTC	24,00,000		(Note: Vesting period of 4 years with 15-20-30-35% for one year)			
				No change in Total CTC		
				More Equity Liquidation due to ESOPs		
				Vesting period will decide long-term cost		
				Working Calculations for Cost-impact		
				Earlier CTC= INR 24L		
				Fixed Pay Foregone= 1.5L(1.32L+18k)		
				Variable Pay Earned= 1.8L (1.5L*1.2)		
				Variable Pay used to purchase add-ons:		
				Family Medical & Maternity Benefits= 1.8L		

Anticipated Challenges	Proposed New Mechanism	Factors affecting 'Swapping'
<ul style="list-style-type: none"> Tendency to forgo Variable Benefits & prefer Fixed Cash rewards instead Absence of upper limit in variable or fixed pay may lead to lopsided rewards 	<div>₹ BIG IDEA: SWAPPING REWARDS</div> <div>1:1.2 Swapping Factor</div> <div>Giving up 1L of Fixed Pay will be awarded 1.2L of Variable Pay Components</div>	<div>COST OF CAPITAL</div> <div>Since, Flipkart pays amount at the end of the year instead across months</div> <div>Fact that Flipkart gets revenue as employees get motivated to work</div>



Thank you
